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January 2008 Monthly Report for MTC

**To: Steve Heminger, Executive Director
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**From: Tom Bulger, President
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Re: Monthly Report for January 2008

Date: January 31, 2008

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National Surface Transportation Policy and Revenue Study Commission Issues Final Report

In early January, Tom Bulger accompanied Steve Heminger at a number of roll out activities associated with the National Surface Transportation Policy and Revenue Study Commission's recommendations to Congress. On January 14, a select number of Commissioners presented their findings to the Washington Post Editorial Board. On January 15, the Commission held a widely attended press event at the National Press club. We also traveled to the Washington Bureau for FOX news to conduct an interview with Mr. Heminger and a presentation at the TRB Executive Committee. Also during January 15 and 16 we arranged meetings for the Commission with the California members of the House Transportation & Infrastructure Committee, including Congressman Filner (D-CA), Congressman McNerney (D-CA), Congresswoman Tauscher (D-CA), Congresswoman Richardson (D-CA), and Congresswoman Matsui (D-CA). We also arranged meetings with

House Transportation & Infrastructure Committee leadership, specifically, Chairman James Oberstar (D-MN), and Subcommittee Chairman Peter DeFazio (D-OR). In addition briefings were held with Congressman Duncan (R-TN), Congressman Petri (R-WI), and Congresswoman Eddie Bernice Johnson (D-TX).

On January 17, the National Surface Transportation Policy and Revenue Study Commission testified before the full House Transportation & Infrastructure Committee. Originally, the Senate Environment & Public Works Committee was scheduled to hold a hearing on January 23; however, that hearing was postponed until January 31. Finally, on January 24, I presented the Commission's recommendations at the US Conference of Mayors mid-winter legislative meetings in Washington, DC.

March APTA Legislative Conference & MTC Congressional Meetings Update

We are currently making the necessary meeting arrangements associated with the Commission and Bay area partners' annual legislative visit to Washington DC. Meeting requests have been sent to the Congressional delegation. We will continue to update Commission staff regarding our progress.

Additionally, we have made all of the necessary arrangements for the annual California Transportation Congressional Reception. The reception will be at 6:00pm to 8:00pm on March 11, 2008 in the House Transportation & Infrastructure Committee Room.

President Bush Takes Action to Prevent Earmarks

On January 29, President Bush signed an Executive Order directing Federal agencies to ignore any future earmark that is not voted on and included in a law approved by Congress. This will effectively end the common practice of concealing earmarks in report language instead of placing them in the actual text of the bill. This means earmarks will be subject to votes, which will better expose them to the light of day and help constrain excessive and unjustified spending. It is inferred that this action will not effect the earmarks included in the FY 2008 appropriation legislation.

Additionally, the President in the State of the Union pledged to veto any appropriations bill Congress sends him that does not cut the number and cost of earmarks in half. Last year, President Bush asked Congress to voluntarily cut the number and cost of earmarks in half and to refrain from slipping earmarks into committee reports that never come to a vote in Congress. The FY08 appropriations bills passed by Congress contained more than 11,700 earmarks totaling almost \$17 billion.

Congress Acts on Stimulus Package

Following the State of the Union, the House took action on a stimulus package which would provide tax rebates for millions of Americans across the Country. The economic

stimulus package was ushered through the House after an agreement was reached between the White House and House leadership.

The legislation calls for one-time tax rebates to go primarily to individuals making less than \$75,000 and to married couples making less than \$150,000. It would also provide temporary tax breaks that would let businesses deduct more of their investments in plants and equipment more quickly, and it contains two measures aimed at helping homeowners get or refinance mortgages. The measure is expected to cost roughly \$156 billion and would violate PAY-GO, however, the urgency of the economy has taken precedence over PAY-GO.

The Senate, however, has moved at a slower pace with many Senators hoping to include additional provisions to the economic stimulus package. One sticking point has been a 'cap' on the amount of money people can make in order to receive the rebate. The Senate Finance Committee approved language on January 30, which would increase the cap to \$150,000 for individuals and \$300,000 for married couples. Additionally, the Senate Finance version includes a several of energy tax credit extensions.

The Senate is currently working to pass a bill as soon as possible and it is expected that once the Senate takes action, the House and Senate will work quickly to develop a package that can be sent to the President for his signature.

There has also been discussions of a second stimulus package that focuses on infrastructure. We have learned that House Transportation & Infrastructure Committee Chair, James Oberstar (D-MN) is proposing a one-time infusion of \$14 billion for transportation projects that are 'ready to go' this follows a survey taken by APTA and AASHTO of projects which are ready for construction and are awaiting funding. We will keep MTC staff informed as this develops.

Senator Boxer Introduces Legislation to Overturn EPA Decision Regarding Greenhouse Gas Emmission

On January 24, the Senate Environment and Public Works Committee, chaired by Senator Barbara Boxer (D-CA) held a hearing on the Environmental Protection Agency's decision to deny California's waiver request to limit greenhouse gas emissions from cars, trucks, and SUVs. During the hearing Senator Boxer and Democrats on the Committee questioned EPA Administrator Stephen Johnson on the EPA's rationale behind the denial. Administrator Johnson contended that California did not meet the "compelling and extraordinary conditions" standard required by the Clean Air Act. At the hearing Senator Boxer announced the introduction of S. 2555, a bill to require acceptance of California's waiver request, the legislation currently has 21 co-sponsors; however, a mark-up has not yet been scheduled.

New Rail Start Working Group Meeting

On January 30, Tom Bulger presented information regarding the National Surface Transportation Policy and Revenue Study Commission's recommendations to Congress. The New Rail Start working group was generally supportive of the recommendations; especially in light of the Administration's position that public transit is a local matter.

The group identified a number of issues to consider following the report to Congress:

1. Does the New Start Working Group support the creation of mode neutral capital and asset maintenance or does the New Start Working Group believe that some or all of the transit programs should remain intact?
2. Does the New Start Working Group support "a cost to complete" approach under which all New Starts projects reaching a specified stage of project development are added to the program every one of two years and then the monies are allocated to transit properties via formula?
3. Does the New Start Working Group support the position that cities above one million should have an 'entitlement' to build electric rail transit?
4. Does the New Start Working Group support the position that USDOT should have as a policy that cities below one million in population not be considered for electric rail transit?
5. Does the New Start Working Group support the establishment of a ticket tax or passenger facility charge for all users of transit to support the financing of the surface transportation system?

Staff Changes at DOT

With the Bush Administration entering its final year in office, many DOT officials are beginning to look for new endeavors. In January, Federal Highway Administrator J. Richard Capka resigned. James Ray, formerly FHWA General Counsel, has become acting Administrator. Also Robert Johnson, Chief of Staff for Secretary Peters has also left the Department. Quintin Kendall will succeed Robert as Chief of Staff. Quintin has been a valuable member of the DOT team for more than five years, having served most recently as Deputy Assistant Secretary for Management and Budget.